

Tempe City Council Special Meeting

Harry E. Mitchell Government Center
Tempe City Hall - City Council Chambers
31 East 5th Street, Tempe, Arizona
Thursday, June 11, 2015

Immediately following the Regular City Council Meeting which begins at 6:00 p.m.

Members of the City Council may attend either in person or by telephone conference call.

AGENDA

- **1.** [Hold a public hearing to adopt a resolution approving the fiscal years 2015-16 through 2019-20 Capital Improvements Program.* \(Resolution No. R2015.58\)](#)

Fiscal Impact: The five-year Capital Improvements Program totals \$418,187,710 and is included in summary as Exhibit A. Funding for fiscal year 2015-16 of the five-year program totals \$162,829,772 and establishes the appropriated fiscal year 2015-16 capital improvements budget. Fiscal years 2016-17 through 2019-20 of the Capital Improvements Program serve as final estimates of proposed expenditures in those years.

- **2.** [Hold a public hearing to adopt a resolution containing estimates of proposed expenditures by the City of Tempe for the fiscal year beginning July 1, 2015 and ending June 30, 2016, and declaring that such shall constitute a final budget for the City of Tempe for said fiscal year.* \(Resolution No. R2015.59\)](#)

Fiscal Impact: The amounts proposed to be spent in the fiscal budget do not exceed the published estimates. Included in the \$607,527,884 total financial program are the amounts discussed at tentative budget adoption on May 21, 2015. The operating budget totals \$444,698,112 and the Capital Improvements Program budget totals \$162,829,772.

- **3.** [Introduce and hold the first public hearing for the adoption of the fiscal year 2015-2016 Property Tax Ordinance. The second and final public hearing is scheduled for June 25, 2015.* \(Ordinance No. O2015.27\)](#)

Fiscal Impact: Pursuant to Arizona Revised Statutes §42-17151 and in conjunction with the fiscal year 2015-2016 Annual Budget and Capital Improvements Program, the attached Ordinance establishes the property tax rate for the 2015-2016 budget year at \$2.5195 per \$100 of assessed valuation. Based upon levy information received from the Maricopa County Assessor's Office, City staff estimates that the \$2.5195 tax rate will generate \$40.2 million, including \$14.9 million of primary levy from a \$0.9334 primary tax rate and \$25.3 million of secondary levy from a \$1.5861 secondary tax rate.

CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 06/11/2015
Agenda Item: 1

ACTION: Hold a public hearing to adopt a resolution approving the fiscal years 2015-16 through 2019-20 Capital Improvements Program. (Resolution No. R2015.58)

FISCAL IMPACT: The five-year Capital Improvements Program totals \$418,187,710 and is included in summary as Exhibit A. Funding for fiscal year 2015-16 of the five-year program totals \$162,829,772 and establishes the appropriated fiscal year 2015-16 capital improvements budget. Fiscal years 2016-17 through 2019-20 of the Capital Improvements Program serve as final estimates of proposed expenditures in those years.

RECOMMENDATION: Adopt Resolution No. R2015.58.

BACKGROUND INFORMATION: Pursuant to Section 5.07 of the City Charter, the following have been properly advertised prior to this public hearing:

1. a general summary of the capital program,
2. the time and place where copies of the capital program are available for inspection by the public, and
3. the time and place for the public hearing on the capital program.

Also pursuant to Section 5.07 of the City Charter, the Council, by resolution, shall adopt the capital program, with or without amendment, after the public hearing on the capital program, on or before the fifteenth day of the twelfth month of the current fiscal year.

Resolution No. R2015.58 adopts the five-year Capital Improvements Program for the period July 1, 2015 through June 30, 2020.

ATTACHMENTS: Resolution, Exhibit A

STAFF CONTACT(S): Cecilia Robles, Budget Manager, (480) 350-8881

Department Director: Ken Jones, Deputy City Manager
Legal review by: Judi Baumann, City Attorney
Prepared by: Cecilia Robles, Budget Manager

RESOLUTION NO. R2015.58

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF TEMPE, ARIZONA,
DETERMINING AND ADOPTING FINAL
ESTIMATES OF PROPOSED EXPENDITURES
OF THE CITY OF TEMPE, ARIZONA, AND
ADOPTING A FIVE-YEAR CAPITAL
IMPROVEMENTS PROGRAM FOR THE PERIOD
JULY 1, 2015 THROUGH JUNE 30, 2020.**

WHEREAS, Section 5.06 of the Tempe City Charter requires the City Manager to prepare and submit to the City Council a five-year Capital Improvements Program, and

WHEREAS, the City Manager has prepared and submitted said five-year Capital Improvements Program to the City Council for its consideration and adoption, and

WHEREAS, the City Council has duly considered the contents of said Capital Improvements Program and finds it to be in the best interest of the City of Tempe;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF TEMPE, as follows:

1. That the program summary entitled "Fiscal Years 2015-16 Through 2019-20 Capital Improvements Program Summary" on file in the office of the City Clerk (also attached hereto), is hereby approved and adopted as a planning guide to use in the scheduling and development of capital facilities for the ensuing five-year period.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this _____ day of _____, 2015.

Mark. W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

Judith R. Baumann, City Attorney

Exhibit A



Fiscal Years 2015-16 Through 2019-20 Capital Improvements Program Summary

Program	Capital Budget Re-appropriations	New 2015-16 Capital Budget Appropriations	Total 2015-16 Capital Budget Appropriations	Additional Projected Needs				Total 5-Year Program
				2016-17	2017-18	2018-19	2019-20	
Enterprise Program								
Water	19,723,952	17,496,670	37,220,622	21,514,558	19,499,505	21,385,305	23,899,305	123,519,295
Wastewater	6,757,002	4,483,336	11,240,338	9,047,758	8,845,636	10,637,078	11,536,321	51,307,131
Golf	2,356,023	-	2,356,023	-	-	-	-	2,356,023
Total Enterprise	28,836,977	21,980,006	50,816,983	30,562,316	28,345,141	32,022,383	35,435,626	177,182,449
Special Purpose Program								
Transit	19,830,542	11,481,886	31,312,428	7,574,507	6,980,173	2,478,142	2,509,726	50,854,976
Total Special Purpose	19,830,542	11,481,886	31,312,428	7,574,507	6,980,173	2,478,142	2,509,726	50,854,976
General Purpose Program								
Police Protection	788,682	696,000	1,484,682	196,000	-	3,161,728	-	4,842,410
Fire Protection	1,547,707	1,326,000	2,873,707	1,563,500	1,305,000	878,000	6,777,600	13,397,807
Storm Drains	644,392	300,000	944,392	300,000	2,970,000	800,000	3,980,000	8,994,392
Park Improvements	35,601,559	14,486,941	50,088,500	5,899,596	8,100,163	3,198,251	2,369,413	69,655,923
General Governmental	5,720,022	8,590,931	14,310,953	10,587,836	5,813,383	5,647,616	5,354,376	41,714,164
Total General Purpose	44,302,362	25,399,872	69,702,234	18,546,932	18,188,546	13,685,595	18,481,389	138,604,696
Transportation								
Transportation and R.O.W.	2,011,588	6,363,177	8,374,765	9,271,346	11,412,041	6,695,703	7,284,263	43,038,118
Traffic Signals/Street Lighting	351,213	2,272,149	2,623,362	2,393,081	1,791,028	850,000	850,000	8,507,471
Total Transportation	2,362,801	8,635,326	10,998,127	11,664,427	13,203,069	7,545,703	8,134,263	51,545,589
TOTAL CAPITAL PROGRAM	95,332,682	67,497,090	162,829,772	68,348,182	66,716,929	55,731,823	64,561,004	418,187,710

**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 06/11/2015
Agenda Item: 2**

ACTION: Hold a public hearing to adopt a resolution containing estimates of proposed expenditures by the City of Tempe for the fiscal year beginning July 1, 2015 and ending June 30, 2016, and declaring that such shall constitute a final budget for the City of Tempe for said fiscal year. (Resolution No. R2015.59)

FISCAL IMPACT: The amounts proposed to be spent in the fiscal budget do not exceed the published estimates. Included in the \$607,527,884 total financial program are the amounts discussed at tentative budget adoption on May 21, 2015. The operating budget totals \$444,698,112 and the Capital Improvements Program budget totals \$162,829,772.

RECOMMENDATION: Adopt Resolution No. R2015.59.

BACKGROUND INFORMATION: Per City Council direction at tentative budget adoption, the tax levy and tax rate information total \$40.2 million and \$2.5195, respectively, including a primary property tax levy of \$14,877,877 and rate of \$0.9334, and secondary property tax levy of \$25,281,551 and rate of \$1.5861.

Resolution No. R2015.59 adopts the final budget for Fiscal Year 2015-2016. Since tentative adoption on May 21, 2015, the attached schedules (Exhibit A) have been properly advertised pursuant to A.R.S. §42-17103.

Prior to final adoption of the budget at a special meeting, the Council must hold a public hearing where any taxpayer may appear and be heard for or against any proposed expenditure or tax levy pursuant to A.R.S. §42-17104 and §42-17107. The setting of the property tax levy and resulting rate are scheduled for June 25, 2015.

ATTACHMENTS: Resolution and Exhibit A

STAFF CONTACT(S): Cecilia Robles, Budget Manager, (480) 350-8881

Department Director: Ken Jones, Deputy City Manager

Legal review by: Judi Baumann, City Attorney

Prepared by: Cecilia Robles, Budget Manager

RESOLUTION NO. R2015.59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES OF THE CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING JULY 1, 2015, AND ENDING JUNE 30, 2016. DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF TEMPE FOR SUCH FISCAL YEAR.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on May 21, 2015, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the City of Tempe, Arizona;

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council met on May 21, 2015, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies;

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on June 11, 2015, in the Council Chambers for the purpose of hearing taxpayers and making tax levies as set forth in said estimates;

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in A.R.S. §42-17051(A);

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF TEMPE, as follows:

1. That the said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced or changed are hereby adopted as the budget of the City of Tempe, Arizona, for the fiscal year 2015-2016.

PASSED AND ADOPTED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this _____ day of _____, 2015.

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

Judith R. Baumann, City Attorney

Exhibit A

CITY OF TEMPE Summary Schedule of Estimated Revenues and Expenditures/Expenses Fiscal Year 2016

Fiscal Year	S c h	FUNDS							
		General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds Available	Internal Service Funds	Blended Component Unit (a)	Total All Funds
2015 Adopted/Adjusted Budgeted Expenditures/Expenses*	E	182,311,624	105,491,860	40,951,736	150,438,466	97,124,196	2,000,000		578,317,882
2015 Actual Expenditures/Expenses**	E	175,725,094	95,001,163	37,162,193	55,786,097	89,583,104			453,257,651
2016 Fund Balance/Net Position at July 1***		63,308,000	40,081,206	23,613,370	87,154,716	68,687,000	2,000,000		284,844,292
2016 Primary Property Tax Levy	B	14,877,877							14,877,877
2016 Secondary Property Tax Levy	B			25,281,551					25,281,551
2016 Estimated Revenues Other than Property Taxes	C	170,816,597	114,553,569	3,690,695		98,244,395			387,305,256
2016 Other Financing Sources	D				149,954,803				149,954,803
2016 Other Financing (Uses)	D								
2016 Interfund Transfers In	D	136,512	1,340,000	6,944,609	12,874,969	6,467,017		3,045,200	30,808,307
2016 Interfund Transfers (Out)	D	(5,236,972)	(7,153,978)	(11,238,217)		(7,179,140)			(30,808,307)
2016 Reduction for Amounts Not Available:									
LESS: Amounts for Future Debt Retirement:									
2016 Total Financial Resources Available		243,902,014	148,820,797	48,292,008	249,984,488	166,219,272	2,000,000	3,045,200	862,263,779
2016 Budgeted Expenditures/Expenses	E	187,647,884	113,748,860	29,057,155	162,829,772	112,244,213	2,000,000		607,527,884

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

2015	2016
\$ 578,317,882	\$ 607,527,884
(175,706,734)	(237,747,009)
402,611,148	369,780,875
102,560,330	68,446,473
\$ 300,050,818	\$ 301,334,402
\$ 300,050,818	\$ 313,889,296

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

a. The Rio Salado Community Facilities District is a blended component unit of the City of Tempe formed under the laws of the State of Arizona to facilitate development of the Rio Salado Town Lake project. The board of the district is comprised of the same members as the City's council.

CITY OF TEMPE
Tax Levy and Tax Rate Information
Fiscal Year 2016

	<u>2015</u>	<u>2016</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>14,324,634</u>	\$ <u>14,877,877</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>14,324,634</u>	\$ <u>14,877,877</u>
B. Secondary property taxes	<u>24,609,512</u>	<u>25,281,551</u>
C. Total property tax levy amounts	\$ <u>38,934,146</u>	\$ <u>40,159,428</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>13,470,429</u>	
(2) Prior years' levies	<u>83,617</u>	
(3) Total primary property taxes	\$ <u>13,554,046</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>23,142,000</u>	
(2) Prior years' levies	<u>143,652</u>	
(3) Total secondary property taxes	\$ <u>23,285,652</u>	
C. Total property taxes collected	\$ <u>36,839,698</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.9231</u>	<u>0.9334</u>
(2) Secondary property tax rate	<u>1.5119</u>	<u>1.5861</u>
(3) Total city/town tax rate	<u>2.4350</u>	<u>2.5195</u>
B. Special assessment district tax rates		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY OF TEMPE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
GENERAL FUND			
Local Taxes			
City Sales Tax	\$ 82,152,592	\$ 86,206,013	\$ 88,527,594
Transient Lodging Tax	5,072,952	5,347,511	5,576,481
Franchise Fees	3,255,702	3,307,246	3,336,246
Licenses and Permits	1,636,750	1,632,122	1,458,000
Intergovernmental			
State	39,906,841	39,780,623	41,312,118
Other	432,000	674,448	522,000
Charges for Services	11,452,301	16,629,308	11,905,431
Fines and Forfeits	7,943,080	8,183,831	8,345,560
Interest on Investments	450,100	450,100	850,000
Voluntary Contributions	2,876,282	2,906,851	3,023,125
Miscellaneous	5,323,070	5,039,859	5,960,042
Total General Fund	\$ 160,501,670	\$ 170,157,912	\$ 170,816,597
SPECIAL REVENUE FUNDS			
Transit Fund			
Transit Tax	\$ 33,346,352	\$ 35,836,931	\$ 36,809,942
ASU-Flash Transit	819,983	819,983	929,006
Interest Income	148,000	148,000	175,000
Intergovernmental	6,259,770	6,259,770	5,856,437
Miscellaneous Revenue	16,495,702	16,495,702	16,011,740
Total Transit Fund	\$ 57,069,807	\$ 59,560,386	\$ 59,782,125
Highway User Revenue Fund			
Highway User Revenue Tax	\$ 9,630,103	\$ 9,748,208	\$ 10,091,343
Barricading Fees	85,000	85,000	85,000
Miscellaneous Revenue	53,297	8,764	37,620
Total Highway User Revenue Fund	\$ 9,768,400	\$ 9,841,972	\$ 10,213,963
Performing Arts Fund			
Performing Arts Tax	\$ 6,912,473	\$ 7,250,874	\$ 7,447,743
Fees and Admissions	710,872	845,134	848,250
Interest Income	10,000	10,000	13,000
Miscellaneous Revenue	9,050		
Total Performing Arts Fund	\$ 7,642,395	\$ 8,106,008	\$ 8,308,993
CDBG/Section 8 Housing Funds			
Community Development Block Grant	\$ 3,611,882	\$ 4,238,742	\$ 5,298,381
Section 8 Housing	9,496,730	9,496,730	11,022,206
Total CDBG/Section 8 Housing Funds	\$ 13,108,612	\$ 13,735,472	\$ 16,320,587
Governmental Restricted Revenue & Donations Fund	\$	\$	\$ 1,203,440
Police Dept-RICO & Grants Fund	\$ 5,959,619	\$ 5,521,873	\$ 5,904,844
Governmental Grants Fund	\$ 11,308,718	\$ 6,786,463	\$ 12,130,361
Court Enhancement Fund	\$ 1,530,131	\$ 928,312	\$ 687,756
Petersen House Fund	\$ 2,283	\$ 1,200	\$ 1,500
Total Special Revenue Funds	\$ 106,389,965	\$ 104,481,686	\$ 114,553,569

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TEMPE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
DEBT SERVICE FUNDS			
Debt Service	\$ 1,269,719	\$ 1,684,982	\$ 1,301,462
Special Assessments	\$ 2,959,851	\$ 2,959,851	\$ 2,389,233
Total Debt Service Funds	\$ 4,229,570	\$ 4,644,833	\$ 3,690,695
ENTERPRISE FUNDS			
Water/Wastewater	\$ 78,950,217	\$ 79,428,644	\$ 81,110,882
Solid Waste	\$ 14,987,157	\$ 14,211,200	\$ 14,224,575
Golf	\$ 2,982,436	\$ 2,728,398	\$ 2,908,938
Total Enterprise Funds	\$ 96,919,810	\$ 96,368,242	\$ 98,244,395
TOTAL ALL FUNDS	\$ 368,041,015	\$ 375,652,673	\$ 387,305,256

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TEMPE, ARIZONA
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2016

FUND	OTHER FINANCING 2016		INTERFUND TRANSFERS 2016	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND	\$	\$	\$ 136,512	\$ (5,236,972)
SPECIAL REVENUE FUNDS				
Court Enhancement	\$	\$	\$	\$ (115,762)
Highway User Revenue			1,150,000	(304,941)
Transit				(6,475,625)
Performing Arts				(257,650)
Section 8 Housing			190,000	
Total Special Revenue Funds	\$	\$	\$ 1,340,000	\$ (7,153,978)
GENERAL GOVERNMENTAL DEBT SERVICE FUND	\$	\$	\$ 6,944,609	\$ (11,238,217)
Total Debt Service Funds	\$	\$	\$ 6,944,609	\$ (11,238,217)
CAPITAL PROJECTS FUNDS				
Bond Proceeds	\$ 102,443,937	\$	\$	\$
Fund Balance Applied	23,837,719		12,874,969	
Other Funding	23,673,147			
Total Capital Projects Funds	\$ 149,954,803	\$	\$ 12,874,969	\$
ENTERPRISE FUNDS				
Water / Wastewater	\$	\$	\$ 6,193,017	\$ (7,072,079)
Solid Waste			200,000	(107,061)
Golf			74,000	
Total Enterprise Funds	\$	\$	\$ 6,467,017	\$ (7,179,140)
SUBTOTAL INTERNAL CITY FUNDS	\$ 149,954,803	\$	\$ 27,763,107	\$ (30,808,307)
BLENDED COMPONENT UNIT				
Community Facilities District			3,045,200	
GRAND TOTAL	\$ 149,954,803		30,808,307	(30,808,307)

CITY/TOWN OF TEMPE, ARIZONA
Expenditures/Expenses by Fund
Fiscal Year 2016

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
GENERAL FUND				
Mayor and Council	\$ 377,787	\$	\$ 354,531	\$ 365,279
City Manager	1,725,841	1,663,316	3,202,047	3,426,599
Diversity Department	497,887	(497,887)		
Internal Audit	439,959	12,040	417,649	445,102
City Clerk	1,098,536	(10,126)	721,626	1,135,790
City Court	4,137,407	26,603	4,004,754	4,200,689
City Attorney	2,821,756	30,433	2,741,555	2,873,649
Internal Services		7,249,078	6,726,536	7,215,706
Finance and Technology	4,327,047	(4,327,047)		
Human Resources	3,366,622	(3,366,622)		
Municipal Budget Office		251,902	257,312	257,006
Police	73,979,887	456,293	72,667,227	76,481,059
Fire	28,093,376	204,151	27,090,987	29,955,798
Community Services	22,904,181	(3,193,041)	18,455,761	19,206,201
Community Development	14,884,068	(117,706)	13,815,207	15,070,840
Human Services		4,593,096	4,054,874	4,567,028
Public Works	19,770,256	(79,150)	18,293,028	19,464,865
Non-Departmental	3,131,981	(3,027,984)	2,922,000	1,482,273
General Fund Contingency	1,000,000	(112,316)		1,500,000
Total General Fund	\$ 182,556,591	\$ (244,967)	\$ 175,725,094	\$ 187,647,884
SPECIAL REVENUE FUNDS				
Highway User Revenue	\$ 10,467,609	\$ 382,625	\$ 9,833,642	\$ 10,141,956
Transit	53,848,245		53,644,154	55,937,932
CDBG / HOME	3,611,882		3,611,882	4,674,676
Section 8 Housing	9,496,730		9,686,730	11,212,206
Housing				50,000
Performing Arts	8,964,081		8,774,907	9,075,472
Police Dept-Rico & Grants	5,959,619		5,136,925	6,262,223
Govtl Grants and Donations	11,308,718		4,025,225	
Govtl Restricted Revenue and Donations				3,053,782
Govtl Grants				12,130,361
Court Enhancement	1,450,068		286,498	1,204,300
Petersen House Endowment	2,283		1,200	5,952
Total Special Revenue Funds	\$ 105,109,235	\$ 382,625	\$ 95,001,163	\$ 113,748,860
DEBT SERVICE FUNDS				
General Governmental	\$ 37,991,886	\$	\$ 34,202,343	\$ 26,667,922
Special Assessment	2,959,850		2,959,850	2,389,233
Total Debt Service Funds	\$ 40,951,736	\$	\$ 37,162,193	\$ 29,057,155
CAPITAL PROJECTS FUNDS				
All Capital Projects	\$ 150,438,466	\$	\$ 55,786,097	\$ 162,829,772
ENTERPRISE FUNDS				
Water/Wastewater	\$ 79,772,225	\$ (2,435,248)	\$ 71,907,289	\$ 91,198,186
Golf	2,781,767		2,547,043	2,807,160
Solid Waste	17,539,290	(533,838)	15,128,772	18,238,867
Total Enterprise Funds	\$ 100,093,282	\$ (2,969,086)	\$ 89,583,104	\$ 112,244,213
INTERNAL SERVICE FUNDS				
Risk Management	\$ 2,000,000	\$	\$	\$ 2,000,000
TOTAL ALL FUNDS	\$ 581,149,310	\$ (2,831,428)	\$ 453,257,651	\$ 607,527,884

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TEMPE
Expenditures/Expenses by Department
Fiscal Year 2016

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
Mayor and Council Department:				
General Fund	\$ 377,787	\$	\$ 354,531	\$ 365,279
City Manager Department:				
General Fund	1,725,841	1,663,316	3,202,047	3,426,599
Transit Fund		547,295	548,491	550,957
Govtl Grants and Donations	2,324,710	840,307	1,393,500	
Govtl Restricted Revenue & Donations				821,511
Govtl Grants				5,400,000
Department Total	\$ 4,050,551	\$ 3,050,918	\$ 5,144,038	\$ 10,199,067
Diversity Department:				
General Fund	\$ 497,887	\$ (497,887)	\$	\$
Internal Audit Department:				
General Fund	\$ 439,959	\$ 12,040	\$ 417,649	\$ 445,102
City Clerk Department:				
General Fund	\$ 1,098,536	\$ (10,126)	\$ 721,626	\$ 1,135,790
City Court Department:				
General Fund	\$ 4,137,407	\$ 26,603	\$ 4,004,754	\$ 4,200,689
Court Enhancement Fund	1,234,488		286,498	984,300
Department Total	\$ 5,371,895	\$ 26,603	\$ 4,291,252	\$ 5,184,989
City Attorney Department:				
General Fund	\$ 2,821,756	\$ 30,433	\$ 2,741,555	\$ 2,873,649
Govtl Grants and Donations	284,193		93,302	
Govtl Grants				183,079
Department Total	\$ 3,105,949	\$ 30,433	\$ 2,834,857	\$ 3,056,728
Internal Services Department:				
General Fund	\$	\$ 7,249,078	\$ 6,726,536	\$ 7,215,706
Water/Wastewater Fund		2,818,525	2,847,919	2,822,552
Department Total	\$	\$ 10,067,603	\$ 9,574,455	\$ 10,038,258
Finance + Technology Department:				
General Fund	\$ 4,327,047	\$ (4,327,047)	\$	\$
Water/Wastewater Fund	2,818,525	(2,818,525)		
Department Total	\$ 7,145,572	\$ (7,145,572)	\$	\$
Human Resources Department:				
General Fund	\$ 3,366,622	\$ (3,366,622)	\$	
Municipal Budget Office				
General Fund	\$	\$ 251,902	\$ 257,312	\$ 257,006
Police Department:				
General Fund	\$ 73,979,887	\$ 456,293	\$ 72,667,227	\$ 76,481,059
Police Dept -RICO + Grants	5,159,619		5,136,925	5,462,223
Department Total	\$ 79,139,506	\$ 456,293	\$ 77,804,152	\$ 81,943,282

CITY OF TEMPE
Expenditures/Expenses by Department
Fiscal Year 2016

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
Fire Department:				
General Fund	\$ 28,093,376	\$ 204,151	\$ 27,090,987	\$ 29,955,798
Govtl Grants and Donations	685,793	169,655	855,448	
Govtl Restricted Revenue & Donations				115,386
Govtl Grants				328,209
Department Total	\$ 28,779,169	\$ 373,806	\$ 27,946,435	\$ 30,399,393
Community Services Department:				
General Fund	\$ 22,904,181	\$ (3,193,041)	\$ 18,455,761	19,206,201
Transit Fund	547,295	(547,295)		
Performing Arts Fund	8,321,022		8,176,908	8,401,634
Govtl Grants and Donations	2,756,590	(1,562,001)	804,758	
Govtl Restricted Revenue & Donations				588,675
Govtl Grants				845,708
Peterson House Endowment	2,283		1,200	5,952
Department Total	\$ 34,531,371	\$ (5,302,337)	\$ 27,438,627	\$ 29,048,170
Community Development Department:				
General Fund	\$ 14,884,068	\$ (117,706)	\$ 13,815,207	\$ 15,070,840
CDBG/Home	3,611,882	(3,611,882)		
Section 8	9,496,730	(9,496,730)		
Govtl Grants and Donations	253,432	(93,530)	95,950	
Govtl Restricted Revenue & Donations				557,628
Govtl Grants				58,028
Department Total	\$ 28,246,112	\$ (13,319,848)	\$ 13,911,157	\$ 15,686,496
Human Services Department:				
General Fund	\$	\$ 4,593,096	4,054,874	\$ 4,567,028
CDBG/Home		3,611,882	3,611,882	4,674,676
Section 8		9,496,730	9,686,730	11,212,206
Housing				50,000
Govtl Grants and Donations		817,084	615,054	
Govtl Restricted Revenue & Donations				466,582
Govtl Grants				615,337
Department Total	\$	\$ 18,518,792	\$ 17,968,540	\$ 21,585,829
Public Works Department:				
General Fund	\$ 19,770,256	\$ (79,150)	18,293,028	19,464,865
Golf Fund	2,781,767		2,547,043	2,807,160
Performing Arts Fund	643,059		597,999	673,838
Solid Waste Fund	17,539,290	(533,838)	15,128,772	18,238,867
Highway User Revenue Fund	10,467,609	382,625	9,833,642	10,141,956
Transit Fund	53,192,950		53,095,663	55,276,975
Water/Wastewater Fund	75,953,700	(2,435,248)	69,059,370	87,375,634
Govtl Grants and Donations	4,000	162,930	166,930	
Govtl Restricted Revenue & Donations				4,000
Govtl Grants				200,000
Department Total	\$ 180,352,631	\$ (2,502,681)	\$ 168,722,447	\$ 194,183,295

CITY OF TEMPE
Expenditures/Expenses by Department
Fiscal Year 2016

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
Non Departmental				
General Fund	\$ 3,131,981	\$ (3,027,984)	2,922,000	\$ 1,482,273
Debt Service				
Debt Service Fund	\$ 37,991,886	\$	\$ 34,202,343	\$ 26,667,922
Special Assessment Fund	2,959,850		2,959,850	2,389,233
Departmental Total	40,951,736		37,162,193	29,057,155
Contingency				
General Fund	\$ 1,000,000	\$ (112,316)	\$	\$ 1,500,000
Water/Wastewater Fund	1,000,000			1,000,000
Transit Fund	108,000			110,000
Internal Service/Risk Management	2,000,000			2,000,000
Police Dept - RICO + Grants	800,000			800,000
Govtl Grants and Donations	5,000,000	(334,445)		
Govtl Restricted Revenue & Donations				500,000
Govtl Grants				4,500,000
Court Enhancement Fund	215,580			220,000
Departmental Total	10,123,580	(446,761)		10,630,000
Capital Projects				
All Capital Projects	\$ 150,438,466	\$	\$ 55,786,097	\$ 162,829,772
TOTAL ALL FUNDS	581,149,310	(2,831,428)	453,257,368	607,527,884

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TEMPE
Full-Time Employees and Personnel Compensation
Fiscal Year 2016

FUND	Full-Time Equivalent (FTE) 2016	Employee Salaries and Hourly Costs 2016	Retirement Costs* 2016	Healthcare Costs 2016	Other Benefit Costs** 2016	Total Estimated Personnel Compensation 2016
GENERAL FUND	1,203.29	\$ 96,117,278	\$ 23,776,128	\$ 12,009,525	\$ 9,195,724	\$ 141,098,655
SPECIAL REVENUE FUNDS						
Highway User Revenue	40.34	\$ 2,776,681	\$ 308,178	\$ 476,168	\$ 262,256	\$ 3,823,283
Transit	34.62	2,451,546	313,184	366,285	227,616	3,358,631
CDBG/Home	4.00	290,680	32,055	37,426	29,296	389,457
Section 8 Housing	7.00	409,477	44,766	57,905	34,451	546,599
Performing Arts	19.65	1,148,583	127,534	173,350	112,810	1,562,277
Police Dept - Rico & Grants	17.00	1,729,156	338,354	179,285	117,102	2,363,897
Govtl Grants	5.90	317,874	42,109	38,281	15,928	414,192
Court Enhancement Fund	6.00	288,937	33,141	63,734	22,207	408,019
Total Special Revenue Funds	134.51	\$ 9,412,934	\$ 1,239,321	\$ 1,392,434	\$ 821,666	\$ 12,866,355
CAPITAL PROJECTS FUNDS						
All Capital Projects	1.00	\$ 73,424	\$ 8,422	\$ 9,973	\$ 6,129	\$ 97,948
ENTERPRISE FUNDS						
Water/Wastewater	170.38	\$ 11,421,379	\$ 1,274,900	\$ 1,766,644	\$ 1,154,868	\$ 15,617,791
Golf	6.00	341,976	37,490	66,282	33,189	478,937
Solid Waste	75.92	4,056,578	451,533	759,427	418,648	5,686,186
Total Enterprise Funds	252.30	\$ 15,819,933	\$ 1,763,923	\$ 2,592,353	\$ 1,606,705	\$ 21,782,914
INTERNAL SERVICE FUND						
Risk Management	6.50	\$ 489,339	\$ 53,963	\$ 60,333	\$ 42,132	\$ 645,767
Total Internal Service Fund	6.50	\$ 489,339.00	\$ 53,963.00	\$ 60,333.00	\$ 42,132.00	\$ 645,767.00
TOTAL ALL FUNDS	1,597.60	\$ 121,912,908	\$ 26,841,757	\$ 16,064,618	\$ 11,672,356	\$ 176,491,639

* Represents employer contributions to Arizona State Retirement System, Public Safety Personnel Retirement System, and Elected Officials Retirement System.

** Includes FICA, Mediflex reimbursement, employer deferred compensation contributions, employer tuition reimbursement and employer contributions to a health reimbursement plan for future retirees.



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 06/11/2015
Agenda Item: 3

ACTION: Introduce and hold the first public hearing to adopt the fiscal year 2015-2016 Property Tax Ordinance. The second and final public hearing is scheduled for June 25, 2015. (Ordinance No. O2015.27)

FISCAL IMPACT: Pursuant to Arizona Revised Statutes §42-17151 and in conjunction with the fiscal year 2015-2016 Annual Budget and Capital Improvements Program, the attached ordinance establishes the property tax rate for the 2015-2016 budget year at \$2.5195 per \$100 of assessed valuation.

Based upon levy information received from the Maricopa County Assessor's Office, City staff estimates that the \$2.5195 tax rate will generate \$40.2 million, including \$14.9 million of primary levy from a \$0.9334 primary tax rate and \$25.3 million of secondary levy from a \$1.5861 secondary tax rate.

RECOMMENDATION: Adopt Ordinance No. O2015.27.

BACKGROUND INFORMATION: As the final budget consideration for fiscal year 2015-2016, City Council is required to set the property tax levy and resulting rate for the 2015-2016 fiscal year.

The City's Property Tax Stabilization Policy provides for an increase in the total property tax rate from the current \$2.4350 per \$100 of assessed valuation to the proposed \$2.5195 in order to limit the increase of the City's total property tax levy on existing properties to that of inflation – 1.3%.

If the proposed ordinance is adopted, Tempe's total property tax on the median – valued single family residential property will be \$308.95 in 2015-16; up from \$305.30 in 2014-15.

The primary property tax levy amount as indicated in the Annual Budget reflects the allowable levy limit as estimated by the Maricopa County Assessor's Office. Since the City intends to adopt a levy equal to the primary levy limit, the provisions of Truth in Taxation are invoked. As required by statute, two published notices and a press release have preceded this public hearing, appearing in the form and manner explicitly prescribed by A.R.S. §42-17107.

ATTACHMENTS: Ordinance

STAFF CONTACT(S): Cecilia Robles, Budget Manager, (480) 350-8881

Department Director: Ken Jones, City Manager
Legal review by: Judi Baumann, City Attorney
Prepared by: Cecilia Robles, Budget Manager

ORDINANCE NO. O2015.27

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, LEVYING SEPARATE AMOUNTS TO BE RAISED FOR PRIMARY AND SECONDARY PROPERTY TAX LEVIES UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF THE ASSESSED VALUATION OF PROPERTY SUBJECT TO TAXATION WITHIN THE CITY OF TEMPE FOR THE FISCAL YEAR ENDING JUNE 30, 2016.

WHEREAS, pursuant to A.R.S. §42-17151, the ordinance levying taxes for Fiscal Year 2015-2016 is required to be adopted on or before the third Monday in August;

WHEREAS, the County of Maricopa is the assessing and collecting authority for the City of Tempe;

WHEREAS, Tempe City Charter Section 5.11 allows an ordinance necessary in connection with the adoption of the annual budget to be adopted and go into effect upon adoption;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, as follows:

Section 1. There is hereby levied on each One Hundred Dollars (\$100.00) of the limited assessed value of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a primary property tax rate, for general and administrative expenses of the City of Tempe. The City of Tempe intends to adopt a primary property tax levy of \$14,877,877, resulting in a primary tax rate of \$0.9334 per \$100 of assessed value. The primary tax levy amount is equal to the maximum allowable levy limit as determined by Maricopa County pursuant to the laws of the state of Arizona.

Section 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each One Hundred Dollars (\$100.00) of limited assessed valuation of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a secondary property tax rate of \$1.5861 per \$100 of assessed value.

Section 3. The combined tax rate as set forth in Sections 1 and 2 shall equal \$2.5195 per one hundred dollars (\$100.00) of assessed valuation of all property, real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation.

Section 4. Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him

or them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Tempe upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien therefore or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

Section 5. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon adoption.

Section 7. The Clerk of the City is directed to transmit a certified copy of this ordinance to the County Assessor and Board of Supervisors of Maricopa County.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA,
this _____ day of _____, 2015.

Mark. W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

Judith R. Baumann, City Attorney